

# Exhibit “B”

**LETTER OF INTENT OF DEBTOR IN POSSESSION FINANCING  
AGREEMENT**

**RE: Memorialization of Intent of Capital Source Group, LLC. To Purchase the  
Receivables of Weyerbacher Brewing, Co. as a Debtor in Possession Agreement**

On behalf of Capital Source Group, LLC ("Purchaser") and assignees/affiliates, we are pleased to submit this Letter of Intent to Purchase the Receivables of Weyerbacher Brewing Co. ("Seller") as a Debtor in Possession Agreement. At this time, the Purchaser is prepared to move forward with a formal Purchase Agreement ("Agreement") under the following minimum terms and conditions. This Letter of Intent to Purchase is non-binding. The parties shall not be contractually or legally bound unless and until they execute a final purchase and sale agreement, which must be in form and content satisfactory to each party and its counsel.

**Seller:** WEYERBACHER BREWING CO., INC

**Purchaser:** Capital Source Group, LLC

**Purchase Amount/  
DIP Financing Amount:** \$250,000.00

**Payout Schedule of  
Purchase Amount:** Tranche 1: Purchaser is to provide Seller \$100,000.00  
upfront at the time of signing the Purchase Agreement;

Tranche 2: Purchaser is to provide Seller \$75,000.00 a  
number of calendar days yet to be determined after the  
payout of Tranche 1;

Tranche 3: Purchaser is to provide Seller \$75,000.00 a  
number of calendar days yet to be determined after the  
payout of Tranche 2;

**Purchase Agreement:** Upon execution of this Letter of Intent by Seller and Purchaser, and approval of the terms of this agreement by the Bankruptcy Court, Seller will prepare a Purchase Agreement for the Receivables of Weyerbacher Brewing Co. setting forth the specific terms of the purchase and sale. Both parties require a formal agreement executed in form and content satisfactory to each party and its counsel. Both parties agree and understand that the Bankruptcy Court's approval of the Purchase Agreement is necessary and the Court's disapproval makes the agreement void and unenforceable. Any changes to the terms provided by this Letter of Intent shall be reflected in the executed Purchase Agreement between the Parties.

**Diligence Fee:** \$15,000.00 to be deducted from Tranche 1. (this fee is to cover all underwriting and due-diligence related costs incurred, necessary to structuring this transaction).

**Monthly Maintenance Program Fee** \$3,750.00 per month (debited via ACH every 30 calendar days from date of Tranche 1 until Purchased Amount is paid in full to Purchaser. (the program is labor intensive and is not an automated process, requiring us to charge this fee to cover related labor cost, including but not limited to legal, accounting, oversight/administration).

**Origination Fee:** 500 basis points (5%) to be applied to Purchased Amount at closing.

**Holdback Percentage:** 40% (All sales and payments made to the Weyerbacher Brewing Co. including, but not limited to, the Tap Room of the Weyerbacher Brewing Co. ["Tap Room"] and Distributor Sales). i.e. Purchaser retains 40% of incoming deposits until Purchased Amount (and Origination Fee) is recouped in full.

**Purchased Amount:** 1.49 Factor on DIP Financing Amount as payback to Purchaser.

**Payback Method:** 40% of Tap Room Sales and Distributor Sales will be paid to Purchaser via a Depository Account Control Agreement until the Purchased Amount is satisfied in full. The balance of the Purchased Amount owed must be satisfied in full as a bankruptcy exit condition, paid off before or contemporaneous with the acquisition of Weyerbacher Brewing Co. by a new or third party, and/or any other liquidity event occurring to Weybacher Brewery, Co.

**Bank Account Requirement:** Depository Account Control Agreement (DACA) with U.S. bank of Lender's choice.

**Guaranties:** In conjunction with the Purchase Agreement, Purchaser requires a Personal Guaranty of Performance and Validity Guaranty from the owners or managers of Weyerbacher Brewing, Co. for the balance owed.

**AGREED & ACCEPTED**

**SELLER:** Weyerbacher Brewing Co.

**BUYER:** Capital Source Group, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: Sonia Wilson

Print Name: Jeffrey Heyn

Date:

Date:

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Work In Process ("WIP") Raw Materials/Labor/Misc [1] --> Work In Progress [2] --> Finished Goods [3]

DIP Financing Facility Deal Summary

Aggregate Purchase Price (sum of all tranches)	\$250,000.00
Diligence Fee	\$15,000.00
Tranche 1 Net Proceeds (\$100k less Diligence Fee)	\$85,000.00
Tranche 2 Net Proceeds	\$75,000.00
Tranche 3 Net Proceeds	\$75,000.00
Origination Fee	\$5,000.00
Factor Rate	1.49
Purchased Amount	\$372,500.00
Total Repayment	\$377,500.00
Monthly Maintenance Program Fee	\$3,750.00
Holdback Percentage	40% of all sales/receipts
Bank Account Requirement	U.S. DACA Account
Turn	Unknown
Monthly Cost of Capital (Based on Forecasted Turn)	8.17%
Weyerbacher's Monthly Profit Margin	42.00%
Weyerbacher's Monthly Net Profit Margin	33.83%

This is tranches as I think it would be utterly imprudent to outbid this to Weyerbacher for obvious reasons. I've already incurred \$5,500 in underwriting and legal costs. I predict another \$9,500 getting depleted from our legal reserve. Per the budgeting and expense forecasting, Weyerbacher needs \$75k-\$85k (labor, ingredients, etc.) to get the Pumpkin Spice Brew fermentation process started. This is to continue steps 1 through 3 above, as well as lower Top Room, Marketing and Lab Supplies, Rents. Consider this the working capital piece. Once the beer is fermented, it needs to be bottled and labeled. Labeling and bottles is at least \$50k-\$70k. The Legalist pays 3-6% commissions to brokers who bring them deals. I thought this was a fair and reasonable fee (incommensurate with the dollar amount/deal size), based on market brokerage rates. This is a multiplier. You take the Factor and apply it to the Purchase Price to arrive at this figure. Instead of deducting the Origination Fee from the Funding Proceeds, I added it to the balance owed and assume the risk of collecting it from the tail-end of the program. I need to allocate labor for program administration and DACA account management. Labor is not cheap right now! This means 40% of each sale until Purchased Amount (net dollar amount) is recouped in full. We haven't decided on whether we need an advance or active DACA. In the revenue & receivables based financing world, the word "Turn" is used as it's mathematically impossible to apply a precise (or accurate) "term" to when the Purchased Amount will be recouped. Assuming our entry to exit is 5-6 months (realistically), 8.17% is our forecasted monthly yield. Take the principal out off the 2.149 and divide by 6. Given Weyerbacher's established profit margins @ 42% (overlapped) and churn cycle (30 days), Weyerbacher has plenty of margin to absorb the Monthly Cost of Capital. Effectively ("performance based"), Weyerbacher stands to profit 33.83% on our \$250k set aside for this WIP/DIP Facility.